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CASEY (TOPS N008)
URGENT
BY MARGARET GENTRY

WASHINGTON (AP) -- THE SENATE INTELLIGENCE COMMITTEE AUTHORIZED ITS STAFF TODAY TO LOOK INTO CIA DIRECTOR WILLIAM J. CASEY'S FINANCIAL TRANSACTIONS IN A FAILED FARMING FIRM, BUT CHAIRMAN BARRY M. GOLDWATER SAID CASEY SHOULD STAY IN OFFICE ''UNLESS WE FIND FURTHER ALLEGATIONS.''

AFTER A CLOSED COMMITTEE MEETING OF MORE THAN AN HOUR WITH DEPUTY CIA DIRECTOR BOBBY R. INMAN, GOLDWATER TOLD REPORTERS THE COMMITTEE'S LAWYERS WOULD MEET TODAY WITH CIA LAWYERS TO GO OVER ''ALL THE HANGING MATTERS.''

THE ARIZONA REPUBLICAN SAID THESE INCLUDED THE ''LOUISIANA TRANSACTIONS'' BY CASEY IN A FAILED FARMING COMPANY CALLED MULTIPONICS INC. AND CASEY'S ROLE IN THE APPOINTMENT OF HIS FRIEND, BUSINESSMAN MAX HUGEL, TO HEAD THE AGENCY'S CLANDESTINE SERVICES.

HUGEL, BROUGHT BY CASEY FROM THE REAGAN PRESIDENTIAL CAMPAIGN, RESIGNED ABRUPTLY ON TUESDAY AFTER THE WASHINGTON POST PRINTED ALLEGATIONS BY TWO NEW YORK STOCKBROKERS THAT HE HAD ENGAGED WITH THEM IN ILLEGAL STOCK MANIPULATIONS IN 1974. HE DENIED ANY WRONGDOING.

''OUR CHIEF INTEREST,'' GOLDWATER SAID, ''IS TO DETERMINE WHY OUR COMMITTEE DID NOT KNOW ABOUT HUGEL UNTIL THE POST APPEARED TUESDAY WHEN IT WAS KNOWN AMONG THE PRESS AND OTHERS THE PREVIOUS THURSDAY OR FRIDAY.'' GOLDWATER SAID HE LEARNED ABOUT HUGEL'S TROUBLES ''INADVERTENTLY FROM A FRIEND'' ON SUNDAY.

AS FOR CASEY, GOLDWATER SAID, ''AS A DIRECTOR, HE'S DONE A COMMENDABLE JOB EXCEPT FOR PICKING A MAN WITH NO BACKGROUND (TO HEAD CLANDESTINE SERVICES). AND EVEN IF HUGEL HAD NOT BEEN SAID TO HAVE A SHADY BACKGROUND I WOULD HAVE PICKED A MAN FROM BELOW'' IN THE AGENCY.

''I WAS NOT AWARE OF THE LOUISIANA TRANSACTIONS,'' GOLDWATER SAID OF CASEY'S INVOLVEMENT IN MULTIPONICS, WHICH HAS BEEN CRITICIZED IN TWO FEDERAL COURT DECISIONS IN THE LAST YEAR.

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''BUT I WILL NOT BE UPSET UNTIL THERE'S SOMETHING WE'VE NOT SEEN YET,'' HE SAID. ''THESE MATTERS GO BACK FIVE OR SEVEN YEARS.''

THEN GOLDWATER TOLD REPORTERS: ''YOU'VE MADE A MOUNTAIN OUT OF A MOLEHILL. WAIT UNTIL THE HILL GETS BIG AND THE BUGS START CRAWLING OUT OF IT.''

ASKED IF THE MOUNTAIN WOULD GET BIGGER, GOLDWATER REPLIED, ''I DON'T KNOW.''

INMAN LEFT WITHOUT SPEAKING TO REPORTERS ALTHOUGH HE HAD INDICATED AS HE ENTERED THE CAPITOL THAT HE WANTED TO DO SO.

GOLDWATER SAID HE WOULD WRITE A REPORT ON THE COMMITTEE'S ACTIONS FOR PRESIDENT REAGAN, WITH WHOM HE SAID HE HAD NOT YET DISCUSSED THE AFFAIR.

SENATE XXXX PICKUP 2ND GRAF PVS.

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